

NEWS RELEASE

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DeNUCCI SAYS WESTBOROUGH HOUSING AUTHORITY NEEDS BETTER MANAGEMENT CONTROLS

State Auditor Joe DeNucci reported today that the Westborough Housing Authority needs better management controls to ensure that it is in full compliance with all state and federal regulations and that its tenants are being served equitably and efficiently.

DeNucci's audit disclosed that the authority had not corrected a prior audit finding that it failed to perform required rent re-determination procedures, leaving the authority without assurance that all tenants were being charged the proper rents. The audit also determined that the authority has been lax in collecting tenants' rents, with the authority being owed \$25,165 in back payments as of last May 31. Of that amount, \$13,132 was overdue by more than 90 days.

Furthermore, DeNucci's audit disclosed that the authority could have earned about \$13,640 in rental income if it had filled vacancies during the 21-day period required by the state Department of Housing and Community Development. According to the audit, 17 units were left vacant for periods ranging from 44 to 395 days, resulting in loss of potential rent revenue ranging from \$111 to \$3,381 per unit.

DeNucci's audit also disclosed a potential conflict-of-interest violation involving the purchase of used furniture from an antiques store owned by the authority's maintenance employee. Also, the authority, when paying cash for a new truck, did not apply against that purchase the \$2,340 trade-in value of a 1993 model pick-up truck, instead allowing the former executive director to buy the old truck for \$650. During the audit, the authority subsequently repossessed the truck and returned the purchase price to the former executive director.

The authority's current executive director said the authority is in the process of implementing DeNucci's recommendations for corrective change.

"I am encouraged by the authority's positive response and I anticipate continued cooperation," concluded DeNucci.